

REAL ESTATE

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The Travails of Trading Down

Forget the tear-downs. Trading down to a smaller, less expensive place to live

has to be the hottest topic in Westport these days. And it's not just adults of retirement age, as you might think, who are in trade-down mode.

There are many varieties of people who want or need to trade down. First are couples whose children have grown, and whose house is now too big for them...or who want to cash out and feed their nest eggs...or who want a home with lower maintenance...or who want single-level living, in anticipation of growing older.

Then there are divorcing couples, both of whom want to remain in town but who now have half as much to spend as they did when they shared the family home. Third are people whose kids are starting college, looking to generate funds for tuition payments. And fourth are longtime residents who want to live elsewhere most of the year but still keep a local address.

Inevitably, what all these people find once they start looking is that trading down is one of the most difficult things to do in Westport – unless you live in a very expensive house to begin with.

Let's assume for purposes of this discussion that the average house in Westport goes for \$1.7 million, which is what the 2007 statistics showed. If you want to cut your expenses by half, that means you'd be looking in the \$850K range. This is beyond difficult. Single family properties listed for that amount are usually small, or need a lot of work, or are a teardown – or all three!

Magnify the frustration of that if your budget is \$500K, \$600K or \$700K. For

many, the word “impossible” comes to mind.

So, you think, bring on that condo! Yes, there are some condominiums in Westport in the \$500-\$700K range, but most have only two bedrooms and about 1,200 square feet of living space. Most also have master bedrooms that are on the second floor, where the fiftysomething and older crowd who represent the largest group of downsizers specifically do not want them!

This is a challenge even for condos priced in the \$800-\$900K range. And to make matters even more frustrating, most of Westport's condominium stock was built in the 1980's and needs significant updating (kitchens, baths, floors) to meet the expectations of today's buyers. Only Terra Nova, where two-bedroom units sell for just over \$1 million and three-bedroom units sell between \$1.2-\$1.3 million, offers the coveted combination of square footage and modern amenities. However, this price range is not enough of a trade-down for most would-be downsizers.

As you can imagine, this may prompt intense emotion, from the very practical (“How can I live in so small a place? I have so much stuff!”) – to the very frustrated (“I can't believe I have almost a million dollars to spend and this is all I can buy!”). Then there are those in denial (“If I just wait long enough, I'll find something great for \$650,000.”) All of these sentiments are quite understandable. Leaving a long-term home for someplace smaller, or less expensive, or less work to maintain is not easy – especially if you want to stay in Westport. Those planning to downsize to a less expensive area, or to a retirement destination, tend to find the transition far easier.

Sometimes the best option for downsizers wanting to remain local is to consider moving to Weston or Fairfield or

Norwalk, where your real estate dollar buys more and you can remain close to your network of friends and medical practitioners and the beach and other places that you frequent regularly. These neighboring communities end up as the downsizing destination for many from our town.

When great trade-down properties come on the market in Westport, they usually go fast – sometimes with multiple interest. When that happens, they're not very negotiable in price. The first great downsize property of 2008 – a three-bedroom ranch with two-car garage priced in the \$8's – recently sold. In 2007 only two notable trade-down properties came on the market, and they were snapped up by a divorcing couple – one for the husband, one for the wife – whose agent was on top of the inventory. I can remember only one really fabulous downsize property in 2006 – and the best one of 2005 I bought myself.

If you are looking to downsize in Westport, my best advice is to have a very diligent agent on the lookout for you...to be patient...and to be willing to act quickly if something great comes on the market. If you pass up a good trade-down opportunity, understand that the next one may take some time in coming.

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